

January riots in PNG: underlying causes, implications and the future



Gerehu shopping district, 11 January 2024
Photo Credit: Kange Photography

by Andrew Anton Mako

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2024 started terribly for Papua New Guinea as civil riots rocked the nation. What started as a protest by law enforcement officers (police, defence force and corrections staff) on 10 January over high deductions from their first pay of the year quickly escalated to looting and destruction of shops in Port Moresby as people took advantage of the security vacuum in the city. The violence quickly spread the next day to Lae, Goroka, Bulolo, Kavieng and Kokopo, albeit on a smaller scale, but was quelled by the rapid intervention of law enforcement in those locations.

Prime Minister James Marape convened an emergency cabinet meeting, declared a 14-day state of emergency (SOE), and suspended the secretaries of the departments of finance, treasury and personnel management. The police commissioner was also suspended, and an acting commissioner appointed to oversee the SOE. Police reinforcements and soldiers were deployed to restore and maintain security in Port Moresby. An investigation was initiated. The government also **threatened to shut down** access to social media.

In terms of costs, more than **20 people died** and many more were injured during the riot. Many retail companies **suffered millions of kina worth of damage** in goods and property. The Gerehu shopping district, which serves a large suburb in Port Moresby, was devastated.

Hundreds of jobs were lost and many small businesses, including those of farmers who supply the supermarkets in the city, were badly affected. It will take time and investment for the many businesses, large and small, that suffered extensive damage to recover. Then there are the negative impacts on the country's reputation and the insecurity felt by thousands caught up in the riots.

The political fallout from the riot is already evident. **Seven backbench MPs** have left government. The prime minister still has a huge majority, but his leadership has been challenged by **a member of his own Pangu Pati**. The timing could not have

been worse for Marape: next month [the 18-month grace period](#) ends – the period in which an attempt to remove a prime minister following a general election is forbidden by law. For now, Marape looks safe, but he has already said he will be reshuffling his cabinet, so others might have to pay the political price.

According to the government, [“a technical glitch”](#) inadvertently increased the tax deducted from public service salaries. That this happened, that it was not quickly communicated to all affected, and that the security forces thought they were justified going on strike on account of it, are all symptoms of governance dysfunctionality. Most concerning of all are the suggestions that some police actually encouraged the looting and burning of buildings.

Clearly there were deeper social causes at play as well. The riots brought to the surface the simmering social tensions among the people caused by the country’s high cost of living, high unemployment, crime and corruption.

Annual inflation of about 5% over the last ten years ([2024 National Budget, page 41](#)) has eroded take-home pay. Cost of living adjustments for public servants have [typically been around 3%](#). The minimum wage has not been increased since 2013, and today is only worth half of what it was then, after inflation ([2024 National Budget, page 37](#)).

The other problem is the lack of jobs. Formal sector employment peaked at 300,000 in 2013, and is now at less than 270,000 ([PNG Economic Database](#)). Over this same period, the population would have grown by about 30%. The government tells people to return to the countryside, but it is the lack of employment in the countryside and [rural decay](#) that brings people to the cities in the first place.

The government has put in place temporary measures to alleviate cost of living pressures by, for instance, increasing the tax-free income threshold to K20,000 from K12,500, and once again abolishing school fees.

However, only real wage growth and job creation can turn things around for PNG.

Successive governments have failed to broaden the country’s economic base in a meaningful way in the last twenty years. Lip service has been paid to job creating sectors such as agriculture, fisheries, forestry and tourism, but not much effort has been directed to structural reforms. Recent actions by the government, such as the creation of [additional ministerial portfolios](#) for the agriculture sector, are misguided. Increased investments in roads are welcome, but the allocation of large sums of public monies (including to [constituency development funds](#)) without strong accountability and governance mechanisms is ineffective and liable to cause waste.

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The focus of the government must be on enacting reforms to address the underlying drivers of the high cost of living in the country. It's a big agenda. Here are three immediate and much-needed reforms.

First, the job-destroying madness of **foreign exchange rationing** which has persisted for a decade needs to be ended. This is a policy that condemns the country to low growth and high unemployment.

Second, state-owned enterprise reforms are urgently needed, with electricity and air travel services both in crisis.

Police reform has to be the third priority. PNG has said that it will be **hiring 50 international police officers with Australian funding** into leadership positions. This will surely help, but it doesn't seem obvious that the riots resulted from a failure of leadership. The fact that **five police officers were detained** for a break-in at a Port Moresby bottle shop on New Year's Eve speaks to the problems the police force faces with its rank and file. Since the riots, **Marape has said** that he will "clean up the police force". Whether he will – and can – follow through on this will be crucial.

None of this will be easy. But PNG has to get out of its low-growth slumber. Waiting for the next big resource project is not good enough. The whole country has been given an extremely painful wake-up call. Is the political class listening?

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